

Student Loan Repayment Program Plan NASA, John F. Kennedy Space Center

- I. **Purpose**: To attract or retain a high quality, diverse workforce of employees in professional, technical, or administrative positions (regulatory citations 5 U.S.C. 5379, 5 CFR Part 537, NPG 3530.1, and Student Loan Repayments – NASA Implementation Plan).
- II. **Effective Date**: August 2001
- III. **Delegation of Authority to Approve Loan Repayments**: Delegation of authority is extended to the Deputy Center Director
- IV. **Coverage**: All positions at KSC will be considered, with exception of the following (OPM policy):
 - A. Temporary positions not leading to conversion to term or permanent appointment
 - B. Term positions with less than 3 years of appointment remaining
 - C. Positions excluded from coverage under 5 USC Section 5379(a)(2); Schedule C appointments.
- V. **Criteria**:
 - A. **Recruitment considerations**:
 1. Success of recent efforts to recruit candidates for similar positions; and/or
 2. Recent high turnover rates of similar positions; and/or
 3. Labor-market factors; and/or
 4. Unusually high or unique qualifications required
 - B. **Retention considerations**:
 1. Unusually high or unique qualifications of employee are essential to complete mission objectives, and "3";
 2. A special project (e.g., Center wide project, Source Evaluation Board) requires the employee's services, and "3";
 3. The employee is likely to leave Federal service based on receipt of an official written bona fide job offer from private industry; or
 4. Previously approved multi-year recruitment offer
 - C. **Exclusions from consideration include**:
 1. Students who have defaulted on their student loans
 2. Individuals who leave NASA for another Federal Agency (OPM policy)
 3. Individuals recruited from another Federal Agency (OPM policy)
- VI. **Amount of Loan Repayments**: A maximum of \$6K per calendar year (prior to taxes) per individual, with a maximum loan repayment total of \$40K per individual. Official documentation from the financial institution indicating the individual's current student loan balance is required. More than one loan may be repaid as long as the total combined does not exceed the maximum limit authorized for payment.

Determination of loan repayment amount will depend on the criticality of employee's skill set, and likelihood and success rate of recruiting or retaining those skills (e.g., \$3K for sought after talent vs \$6K for very specific and limited skill sets). Maximum loan repayment will be driven by necessity for specialized talent and skills at current time. Loan repayment amount is also subject to KSC's ability to commit to funds.

Employees are responsible for making loan payments on the portion(s), which continue to be their responsibility, and for income tax obligations resulting from the loan repayment benefit. The timing of payment(s) will be discussed between the employee and NASA. Most advantageous timing for the government and preference for tax withholding deductions for the employee will be determining factors.

Annual loan assessments: The Employee Services Office will conduct an annual assessment of pre-approved multi-year loan approvals (with input from the immediate supervisor, CFO and Workforce Planning and Analysis Offices). These loan repayments will be granted unless funding constraints or performance issues arise. Loan repayments are subject to reduction or termination under the terms identified in the NASA Student Loan Repayment Service Agreement.

The Deputy Center Director will make final determination for reduction or termination.

This incentive may be used in conjunction with other recruitment and retention incentives.

VII. **Procedures for Making Loan Repayments (incl. Tax Withholding):**

Employees are responsible for paying taxes on all student loan repayments at a flat rate. Medicare and Social Security will also be withheld at an approximate combined rate. Tax withholdings will be deducted or applied at the time any loan repayment is made. Extensions on tax withholdings are not permitted. The US Treasury, via direct financial transfer, will make loan repayments to the lending institution.

VIII. **Selection of Applicants and Employees:** All candidates, meeting eligibility criteria identified in Section V of this plan, will be equally considered for loan repayment.

IX. **Service Agreement:** The period of employment under a student loan repayment service agreement is a minimum of 3 continuous years. Each additional authorized loan repayment will constitute one additional year of guaranteed employment. The service obligation will commence at the first loan payment date. Individuals approved for multi-loan repayment (within the maximum authorized cap) require a separate service agreement for each lending institution to be paid.

Voluntary separation from NASA, unacceptable levels of performance, disciplinary actions, or violation of the service agreement will result in loss of eligibility for loan repayment benefits. Incompletion of the service agreement time will require reimbursement to NASA for the entire amount of any student loan repayment benefits received.

X. **Recovery and Waivers of Reimbursement:** Every effort will be made to recover all loan repayments made on behalf of the employee. The approving official (reference Section III of plan) has the right to waive in whole or in part an employee's obligation to repay a student loan. Considerations for waiver include extenuating circumstances such as: death and/or serious illness of the employee; employee is recalled to active service; involuntary separation on account of performance; or the approving official determines that repayment would be against equity, good conscience, or the public interest.

XI. **Establishing and Retaining Files for Recordkeeping:**

Per 5 CFR, Part 537, Part IX, all records pertaining to approval determination will be maintained on file for 3 years' time, or until after OPM formal evaluation.

XII. **Reporting Requirements:** An annual report (calendar year) will be forwarded to OPM through NASA Headquarters indicating the number of employees selected to receive the benefit, employee job classification and grade, and the total amount paid.

XIII. **Evaluation of Program Plan:** KSC will evaluate this program after the completion of each annual report to OPM to ensure maximum effectiveness is achieved.